

# **Dickson County Schools**

## **Policies and Procedures**

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Administration of Federal Education Programs

Aligned with the Requirements of the

New Uniform Grants Guidance

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Revised 11/21/2016

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# I. Introduction

This manual sets forth the policies and procedures used by Dickson County Schools (DCS) to administer federal funds. The manual contains the internal controls and grant management standards used by the District to ensure that all federal funds are lawfully expended. It describes in detail the District's financial management system, including cash management procedures, procurement policies; inventory management protocols; procedures for determining the allowability of expenditures; time and effort reporting; record retention; and sub-recipient monitoring responsibilities.

New employees of the District, as well as incumbent employees, are expected to review this manual to gain familiarity and understanding of the District's rules and practices. If you have any questions regarding the administration of federal education grants, including questions related to specific federal grant programs, please do not hesitate to contact the applicable program office at the Tennessee Department of Education (TDOE).

## II. Financial Management System

The District maintains a proper financial management system in order to receive both direct and state-administered grants and to expend funds associated with a grant award. Certain fiscal controls and procedures must be in place to ensure that all financial management system requirements are met. Failure to meet a requirement may result in return of funds or termination of the award.

### A. Financial Management Standards

The standards for financial management systems are found at 2 C.F.R. § 200.302. The required standards include:

#### ***Identification***

The District must identify, in its accounts, all federal awards received and expended and the federal programs under which they were received. Federal program and award identification must include, as applicable, the CFDA title and number, federal award identification number and year, name of the federal agency, and, if applicable, name of the pass-through entity.

**The District follows the State of Tennessee County Uniform Chart of Accounts to identify all federal awards received and expended.** <http://www.comptroller.tn.gov/la/LGSlocalGovernment.asp>

#### ***Financial Reporting***

Accurate, current, and complete disclosure of the financial results of each federal award or programs must be made in accordance with the financial reporting requirements set forth in the Education Department General Administrative Regulations (EDGAR).

**The District follows the Education Department General Administrative Regulations (EDGAR) and the State of Tennessee reporting requirements for federal grants as well as all reports required by the State of Tennessee.**

[Financial Reports and Records](#)

#### ***Accounting Records***

The District must maintain records which adequately identify the source and application of funds provided for federally-assisted activities. These records must contain information pertaining to grant or subgrant awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation.

[Accounting System](#)

[Financial Reports and Records](#)

### ***Internal Controls***

Effective control and accountability must be maintained for all funds, real and personal property, and other assets. The District must adequately safeguard all such property and must assure that it is used solely for authorized purposes.

“Internal controls” are tools to help program and financial managers achieve results and safeguard the integrity of their program. Internal controls should be designed to provide reasonable assurance that the following objectives are achieved:

- Effectiveness and efficiency of operations;
- Adequate safeguarding of property;
- Assurance property and money is spent in accordance with grant program and to further the Selected objectives; and
- Compliance with applicable laws and regulations.

The District adheres to the internal controls inherent within the accounting procedures as established by the State of Tennessee for all school districts. The District follows GASB and FASB regulations relative to accounting process and reporting.

### **[Fiscal Management Goals](#)**

***See Appendix D***

### ***Budget Control***

Actual expenditures or outlays must be compared with budgeted amounts for each federal award.

The District continually monitors departmental and building expenditures relative to federal allocation. The accounting system and procedures in place do not allow for overspending of budget allocation within the system.

### **[Annual Operating Budget](#)**

### ***Cash Management***

The District must maintain written procedures to implement the cash management requirements found in EDGAR.

The District’s federal grants are reimbursable grants. Requisitions, followed by encumbering of dollars, followed by payment of the invoice must be done prior to requesting reimbursement for grant expenditures. No district fund may be in the negative. The District continually monitors the activity within the Federal Projects fund to assure positive cash flow.

### **[Expenditure of Funds](#)**



## ***Allowable Costs***

The District must maintain written procedures for determining allowability of costs in accordance with EDGAR.

### [Purchasing](#)

## **B. Overview of the Financial Management/Accounting System**

The District is currently structured under the 1957 consolidated school act. The Dickson County School Department operates the public school system in the county, and the voters of Dickson County elect its board. The School Department is fiscally dependent on the county because it may not issue debt, and its budget and property tax levy are subject to the County Commission's approval. The School Department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy. The District currently uses the Flexgen package provided by Local Government Corporation. Dickson County schools has payroll, accounts payable and general Ledger accounting systems. The budget is loaded into the accounting after the year is closed for prior year and it has been approved by the County Commission. The Director of Finance and Business enters the information into the budget menu of the software. Tracking takes place through the Expenditures and Encumbrance report of the general ledger. The Director of Finance and Business oversees managing budgets and accounts payable. The CFDA title and number are located on the grants information loaded into ePlan. Funds are identified in the financial management system by use of sub-funds. Federal funds are processed through the District's Federal Projects fund and identified specifically using the State of Tennessee Standardized System of Accounting and Reporting-- Uniform Chart of Accounts at [Office of Local Finance](#) or the County Uniform Chart of Accounts at [Chart of Accounts](#).

The responsibility for compiling timely and accurate financial reports are shared by the Federal Projects Director and the Business office staff. Reports are reviewed and approved by the Director of Federal Projects and the Director of Schools and presented to the Board of Education for review and approval. Quarterly reports are provided to the Board of Education and County Commission for review and approval. The reports do include monthly and cumulative expenditures, project budgets, and a balance remaining column. All information is submitted in the State of Tennessee federal grants reporting system.

### [Fiscal Management Goals](#)

## **C. Budgeting**

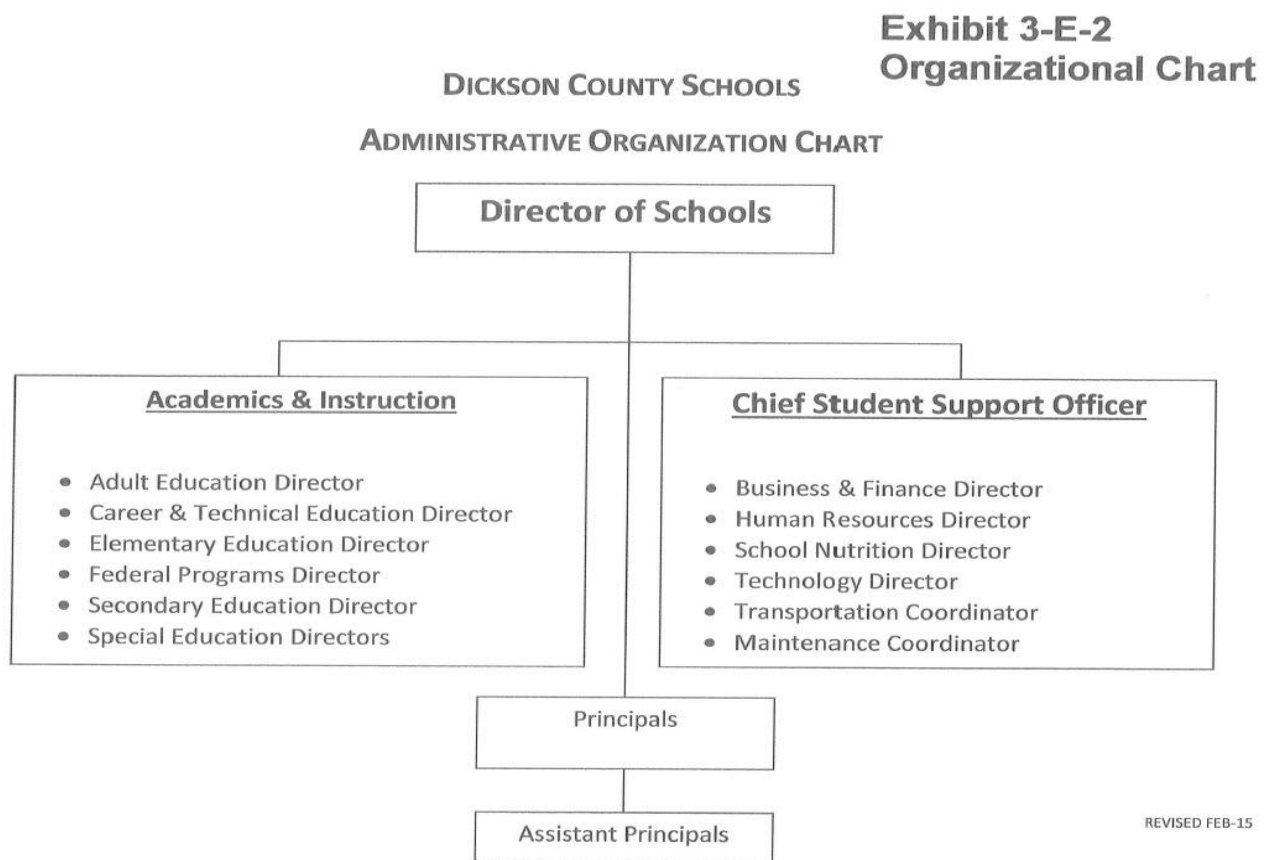
### ***The Planning Phase: Meetings and Discussions***

**Before Receiving the Grant Award Letter:** Before grant award letters are received, budget meetings are held with the Director of Schools, Director of Student Services, Director of Finance, Director of Federal

Programs, CTE Director, and/or IDEA Director, and other departments affected by the grant. Planning meetings occur in the same way. The budget for the grant is determined by specific district needs and review of grant objectives. Early decisions for the budget are based on the prior year's award, and adjustments are made once the grant award letter is received and funds are determined. Decisions are made based on needs assessments done each fall, and through monitoring of changes in needs throughout the fiscal year. The district, as well as the individual schools, complete an annual needs assessment each fall on ePlan. Before budget requests for new resources are considered, current and existing resources are reviewed to determine the specific needs for the upcoming fiscal year. Personnel responsible for the budget process include the Director of Finance, Director of Federal Programs, and other departments benefiting from these funds.

The time frame for the annual budget process begins in late fall preceding the upcoming fiscal year and continues through early spring. In the case of new awards granted throughout the fiscal year, the process is expedited based on needs, availability of funds, and amount of funds.

## ORGANIZATIONAL CHART FOR BUDGET PROCESS



## [Annual Operating Budget](#)

### ***Reviewing and Approving the Budget:***

#### **DCS Budget Process for Federal Grants:**

The directors of each department prepare an annual budget and submit to the Director of Schools for review. By the early spring of each year, the department heads and district budget team review the items in the budget to ensure allowability. The program director ensures allowability determinations are made for each grant. If the department heads and budget team determine that a cost is not allowable, then departments must make necessary adjustments to meet allowability.

## [Annual Operating Budget](#)

Once department heads and the budget team determine that all budgeted items are allowable, the budget is sent to the School board and to the Dickson County Commission for final review and approval. Generally, the budget receives final approval by July 1<sup>st</sup> of each year. The budget is entered into an Excel Spreadsheet in the various departments. Once the budget is approved, it goes to the Director of Finance and Business where it is loaded into the district's accounting system.

### ***After Receiving the grant award letter***

Upon receipt of the grant award letter, the department head (IDEA Director, ESSA Director, School Nutrition, LEAPs, Coordinated School Health, GP, or CTE Director) will meet with personnel benefiting from or overseeing the implementation of the grant to discuss adjustments that need to occur. If the amount is changed (increased or decreased), then a meeting is held to determine the best use of the funds awarded.

### ***Amending the Budget***

The process for amending the budget is as follows:

- A revision is made on ePlan and must be approved by the district fiscal representative, the Director of the district, and the State.
- An amendment is submitted to the local school board for approval.
- Once approved, it is submitted to the local county commission for approval.
- The Director of Finance and Business then enter the amendment into the local accounting system.

### ***Budget Control***

The District monitors its financial performance by comparing and analyzing actual results with

budgeted results. The District continually monitors budget with actual expenditures. versus Budget Actual reports are generated often and timely when analyzing budgets for federal grants. Because the monitoring of grants is continuous, there are no significant differences.

## D. Accounting Records

All district accounting records which include the general ledger, payroll and fixed assets are retained in the district's finance office. The District's Federal Projects fund manager and Director of Finance and Business review and approve financial records. Journal entries are made within the accounting system by the District's finance staff. The District follows the State of Tennessee Chart of Accounts as provided in the State's Standardized System of Accounting and Reporting manual.

[LGS Local Government](#)

## E. Spending Grant Funds

The process to determine what items (i.e., goods and services) should be included in the budget is first and foremost, needs-based. District staff and school staff make decisions on specific items to be included based on current assessment of student and staff needs. While developing and reviewing the grant budget, all Federal departments as well as the Finance Department should keep in mind the difference between direct costs and indirect costs.

### ***Direct and Indirect Costs Defined***

*Determining Whether a Cost is Direct or Indirect:* Direct costs are those costs that can be identified specifically with a particular final cost objective, such as a federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy. 2 C.F.R. § 200.413(a). Indirect costs are those that have been incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. 2 C.F.R. § 200.56. Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or indirect costs. 2 C.F.R. § 200.413(a). Identification with the federal award rather than the nature of the goods and services involved is the determining factor in distinguishing direct from indirect costs of Federal awards. Typical costs charged directly to a Federal award are the compensation of employees who work on that award, their related fringe benefit costs, the costs of materials and other items of expense incurred for the Federal award. 2 C.F.R. § 200.413(b).

The salaries of administrative and clerical staff should normally be treated as indirect costs. Direct charging of these costs may be appropriate only if all of the following conditions are met:

- Administrative or clerical services are integral to a project or activity;
- Individuals involved can be specifically identified with the project or activity;
- Such costs are explicitly included in the budget or have the prior written approval of the federal awarding agency; and
- The costs are not also recovered as indirect costs. 2 C.F.R. § 200.413(c).

#### *Indirect Cost Rate:*

TDOE approves indirect cost rates for one year. The indirect cost rate is developed using guidelines provided by the Tennessee Department of Education. The regional fiscal consultant assigned by the State Department of Education assists in figuring the indirect cost rate annually.

#### [Indirect Cost Manual](#)

*Applying the Indirect Cost Rate:* Once the District has an approved indirect cost rate, the percentage is multiplied against the actual direct costs (excluding distorting items such as equipment, contracts in excess of \$25,000, pass-through funds, etc.) incurred under a particular grant to produce the dollar amount of indirect costs allowable to that award. 34 C.F.R § 75.564; 34 C.F.R. § 76.569. Once the District applies the approved rate, the funds that may be claimed for indirect costs have no federal accountability and may be used as if they were non-federal funds. For Direct Grants, reimbursement of indirect costs is subject to the availability of funds and statutory or administrative restrictions. 34 C.F.R. § 75.564.

Where a federal program has a specific cap on the percentage of administrative costs that may be charged to a grant, that cap must include all direct administrative charges as well as any recovered indirect charges.

#### ***Determining Allowability of Costs***

Expenditures must be aligned with approved budgeted items. Any changes or variations from the state-approved budget and grant application need prior approval from the state.

When determining how the District will spend its grant funds, the IDEA Directors, the ESSA Director, the LEAPS, GP, Coordinated School Health, the School Nutrition Director, and/or the CTE Director will review the proposed cost to determine whether it is an allowable use of federal grant funds *before* obligating and spending those funds on the proposed good or service. All costs supported by federal education funds must meet the standards outlined in EDGAR, 2 C.F.R. § 200.403, which are provided in the bulleted list below. The IDEA Directors, the ESSA Director, the LEAPS, GP, Coordinated School Health, the School Nutrition Director, and/or the CTE Director must consider these factors when making an allowability determination.

- **Be Necessary and Reasonable for the performance of the federal award.** District staff must consider these elements when determining the reasonableness of a cost. A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision to incur the cost was made. For example, reasonable means that sound business practices were followed, and purchases were comparable to market prices.

When determining reasonableness of a cost, consideration must be given to:

- Whether the cost is a type generally recognized as ordinary and necessary for the operation of the District or the proper and efficient performance of the federal award.
- The restraints or requirements imposed by factors, such as: sound business practices; arm's-length bargaining; federal, state and other laws and regulations; and terms and conditions of the federal award.
- Market prices for comparable goods or services for the geographic area.
- Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the District, its employees, its students, the public at large, and the federal government.
- Whether the district significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the federal award's cost. 2 C.F.R. § 200.404

While 2 C.F.R. § 200.404 does not provide specific descriptions of what satisfies the "necessary" element beyond its inclusion in the reasonableness analysis above, necessary is determined based on the needs of the program. Specifically, the expenditure must be necessary to achieve an important program objective. A key aspect in determining whether a cost is necessary is whether the district can demonstrate that the cost addresses an existing need, and can prove it. For example, the district may deem a language skills software program necessary for a limited English proficiency program.

When determining whether a cost is necessary, consideration may be given to:

- Whether the cost is needed for the proper and efficient performance of the grant program.
- Whether the cost is identified in the approved budget or application.
- Whether there is an educational benefit associated with the cost.
- Whether the cost aligns with identified needs based on results and findings from a needs assessment.
- Whether the cost addresses program goals and objectives and is based on program data.

• **Allocable to the federal award.** A cost is allocable to the federal award if the goods or services involved are chargeable or assignable to the federal award in accordance with the relative benefit received. This means that the federal grant program derived a benefit in proportion to the funds charged to the program. 2 C.F.R. § 200.405. For example, if 50% of a teacher's salary is paid with grant funds, then that teacher must spend at least 50% of his or her time on the grant program.

• **Consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the District.**

• **Conform to any limitations or exclusions set forth as cost principles in Part 200 or in the terms and conditions of the federal award.**

• **Consistent treatment.** A cost cannot be assigned to a federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been assigned as an indirect cost under another award.

• **Adequately documented.** All expenditures must be properly documented.

• **Be determined in accordance with general accepted accounting principles (GAAP), unless provided otherwise in Part 200.**

• **Not included as a match or cost-share, unless the specific federal program authorizes federal costs to be treated as such.** Some federal program statutes require the nonfederal entity to contribute a certain amount of non-federal resources to be eligible for the federal program.

• **Be the net of all applicable credits.** The term "applicable credits" refers to those receipts or reduction of expenditures that operate to offset or reduce expense items allocable to the federal award. Typical examples of such transactions are: purchase discounts; rebates or allowances; recoveries or indemnities on losses; and adjustments of overpayments or erroneous charges. To the extent that such credits accruing to or received by the state relate to the federal award, they shall be credited to the federal award, either as a cost reduction or a cash refund, as appropriate. 2 C.F.R. § 200.406.

#### [Expenses and Reimbursements](#)

Part 200's cost guidelines must be considered when federal grant funds are expended. As provided above, federal rules require state- and District-level requirements and policies regarding expenditures to be followed as well. For example, state and/or District policies relating to travel or equipment may be narrower than the federal rules, and the stricter State and/or District policies must be followed. Further, certain types of incentives are allowable under federal law, but are not allowable under State law.

### ***Selected Items of Cost***

Part 200 examines the allowability of 55 specific cost items (commonly referred to as Selected Items of Cost) at 2 C.F.R. §§ 200.420-200.475. These cost items are listed in the chart below along with the citation where it is discussed whether the item is allowable. Please do not assume that an item is allowable because it is specifically listed in the regulation as it may be unallowable despite its inclusion in the selected items of cost section. The expenditure may be unallowable for a number of reasons, including: the express language of the regulation states the item is unallowable; the terms and conditions of the grant deem the item unallowable; or State/local restrictions dictate that the item is unallowable. The item may also be unallowable because it does not meet one of the cost principles, such as being reasonable because it is considered too expensive. If an item is unallowable for any of these reasons, federal funds cannot be used to purchase it.

District personnel responsible for spending federal grant funds and for determining allowability must be familiar with the Part 200 selected items of cost section. The District must follow these rules when charging these specific expenditures to a federal grant. When applicable, District staff must check costs against the selected items of cost requirements to ensure the cost is allowable. In addition, State, District and program-specific rules may deem a cost as unallowable and District personnel must follow those non-federal rules as well.

The selected item of cost addressed in Part 200 includes the following (in alphabetical order):

#### **Item of Cost Citation of Allowability Rule**

Advertising and public relations costs	2 C.F.R. § 200.421
Advisory councils	2 C.F.R. § 200.422
Alcoholic beverages	2 C.F.R. § 200.423
Alumni/ae activities	2 C.F.R. § 200.424
Audit services	2 C.F.R. § 200.425
Bad debts	2 C.F.R. § 200.426
Bonding costs	2 C.F.R. § 200.427



Collection of improper payments	2 C.F.R. § 200.428
Commencement and convocation costs	2 C.F.R. § 200.429
Compensation – personal services	2 C.F.R. § 200.430
Compensation – fringe benefits	2 C.F.R. § 200.431
Conferences	2 C.F.R. § 200.432
Contingency provisions	2 C.F.R. § 200.433
Contributions and donations	2 C.F.R. § 200.434
Defense and prosecution of criminal and civil proceedings, claims, appeals and patent infringements	2 C.F.R. § 200.435
Depreciation	2 C.F.R. § 200.436
Employee health and welfare costs	2 C.F.R. § 200.437
Entertainment costs	2 C.F.R. § 200.438
Equipment and other capital expenditures	2 C.F.R. § 200.439
Exchange rates	2 C.F.R. § 200.440
Fines, penalties, damages and other settlements	2 C.F.R. § 200.441
Fund raising and investment management costs	2 C.F.R. § 200.442
Gains and losses on disposition of depreciable assets	2 C.F.R. § 200.443
General costs of government	2 C.F.R. § 200.444
Goods and services for personal use	2 C.F.R. § 200.445
Idle facilities and idle capacity	2 C.F.R. § 200.446
Insurance and indemnification	2 C.F.R. § 200.447
Intellectual property	2 C.F.R. § 200.448
Interest	2 C.F.R. § 200.449
Lobbying	2 C.F.R. § 200.450
Losses on other awards or contracts	2 C.F.R. § 200.451
Maintenance and repair costs	2 C.F.R. § 200.452
Materials and supplies costs, including costs of computing devices	2 C.F.R. § 200.453
Memberships, subscriptions, and professional activity costs	2 C.F.R. § 200.454
Organization costs	2 C.F.R. § 200.455
Participant support costs	2 C.F.R. § 200.456
Plant and security costs	2 C.F.R. § 200.457
Pre-award costs	2 C.F.R. § 200.458
Professional services costs	2 C.F.R. § 200.459
Proposal costs	2 C.F.R. § 200.460
Publication and printing costs	2 C.F.R. § 200.461
Rearrangement and reconversion costs	2 C.F.R. § 200.462
Recruiting costs	2 C.F.R. § 200.463
Relocation costs of employees	2 C.F.R. § 200.464
Rental costs of real property and equipment	2 C.F.R. § 200.465

Scholarships and student aid costs	2 C.F.R. § 200.466
Selling and marketing costs	2 C.F.R. § 200.467
Specialized service facilities	2 C.F.R. § 200.468
Student activity costs	2 C.F.R. § 200.469
Taxes (including Value Added Tax)	2 C.F.R. § 200.470
Termination costs	2 C.F.R. § 200.471
Training and education costs	2 C.F.R. § 200.472
Transportation costs	2 C.F.R. § 200.473
Travel costs	2 C.F.R. § 200.474
Trustees	2 C.F.R. § 200.475

Likewise, it is possible for the State and/or District to put additional requirements on a specific item of cost. Under such circumstances, the stricter requirements must be met for a cost to be allowable.

Accordingly, employees must consult federal, State and District requirements when spending federal funds. For example, often the State's travel rules are more restrictive than federal rules, which mean the State's policies must be followed.

In order for a cost to be allowable, the expenditure must also be allowable under the applicable program statute (e.g., Title I of the Elementary and Secondary Education Act (ESEA), or the Carl D. Perkins Career and Technical Education Act (Perkins)), along with accompanying program regulations, non-regulatory guidance and grant award notifications.

The state and/or District rules related to some specific cost items are discussed below. District employees must be aware of these State and District rules and ensure they are complying with these requirements.

[Audits](#)

[Bonded Employees](#)

[Compensation Guides and Contracts](#)

[Staff Gifts and Solicitations](#)

[Gifts and Bequests](#)

[Student Insurance Program](#)

[Student Fees and Fines](#)

[Student Solicitations/Fundraising Activities](#)

[Investment Earnings](#)

[Special Use of School Vehicles](#)

[Expenses and Reimbursements](#)

[Awards and Scholarships](#)

[Student Activity Funds Management](#)

### ***Frequent Types of Costs***

*Travel:* Travel costs are the expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business of a grant recipient. Such costs may be charged on an actual cost basis, on a per diem or mileage basis in lieu of actual costs incurred, or on a combination of the two, provided the method used is applied to an entire trip and not selected days of the trip, and results in charges consistent with those normally allowed in like circumstances in the recipient's non-federally funded activities and in accordance with the recipient's written travel reimbursement policies. 2 C.F.R § 200.474(a).

Costs incurred by employees and officers for travel, including costs of lodging, other subsistence, and incidental expenses, must be considered reasonable and otherwise allowable only to the extent such costs do not exceed charges normally allowed by the District in its regular operations as the result of its written travel policy. In addition, if these costs are charged directly to the federal award, documentation must be maintained that justifies that (1) participation of the individual is necessary to the federal award; and (2) the costs are reasonable and consistent with the District's established policy. 2 C.F.R § 200.474(b).

[Expenses and Reimbursements](#)

### **Federal Programs Travel Guidelines**

#### **Guidelines for Professional Development Requests**

All professional development requests must be submitted far enough in advance for adequate consideration of the need for the professional development as well as the availability of adequate resources and funds. It can take as many as 20 school days to process the paperwork and obtain the appropriate approvals.

#### **Basic Guidelines**

1. Submit the Request for Professional Development Activity Request Form at least 20 days BEFORE registration deadline.

2. Forms must be signed by the principal or appropriate supervisor before application is evaluated for following federal guidelines.
3. Sign-in sheets must be submitted after local sessions even if stipends are not paid.
4. Evaluations should be administered after all local PD sessions if appropriate.
5. A summary of the evaluations must be submitted to the appropriate office when required.
6. Stipends cannot be paid until all paperwork has been received by the appropriate office.

**Guidelines When Travel is Required:**

**Under no circumstances should participants make reservations, register for an event, purchase airline tickets, etc. until they are notified that the request has been approved and encumbered.**

**Meals:**

Meals are reimbursed using the per diem rates as allowed by the government.

No meals are reimbursed for trips that do not include an overnight stay.

**Hotel:**

The original receipt showing a Zero balance must be submitted upon returning from the conference (even if the hotel was paid with a check from the school district). Hotel parking fees (valet or self-park) must be pre-approved.

Internet charges cannot be reimbursed at this time.

Room service or other fees incurred while staying at a hotel will not be reimbursed, as well as additional nights not approved prior to travel.

***Helpful Questions for Determining Whether a Cost is Allowable***

In addition to the cost principles and standards described above, the IDEA Directors, the ESSA Director, the LEAPS, GP, Coordinated School Health, the School Nutrition Director, and/or the CTE Director can refer to this section for a useful framework when performing an allowability analysis. In order to determine whether federal funds may be used to purchase a specific cost, it is helpful to ask the following questions:

- Is the proposed cost allowable under the relevant program?
- Is the proposed cost consistent with an approved program plan and budget?
- Is the proposed cost consistent with program specific fiscal rules?

o For example, the District may be required to use federal funds only to supplement the amount of funds available from nonfederal (and possibly other federal) sources.

- Is the proposed cost consistent with EDGAR?
- Is the proposed cost consistent with specific conditions imposed on the grant (if applicable)?

As a practical matter, the IDEA Directors, the ESSA Director, the LEAPS, GP, Coordinated School Health, the School Nutrition Director, and/or the CTE Director should also consider whether the proposed cost is consistent with the underlying needs of the program. For example, program funds must benefit the appropriate population of students for which they are allocated. This means that, for instance, funds allocated under Title III of the Elementary and Secondary Education Act (ESEA) governing language instruction programs for limited English proficient (LEP) students must only be spent on LEP students and cannot be used to benefit non-LEP students. Further, under most major elementary and secondary education programs, recipients Also, funds should be targeted to address areas of weakness, as necessary. To make this determination, the IDEA Directors, the ESSA Director, the LEAPS, GP, Coordinated School Health, the School Nutrition Director, and/or the CTE Director should review data when making purchases to ensure that federal funds to meet these areas of concern.

## F. Federal Cash Management Policy/Procedures

The District will comply with applicable methods and procedures for payment that minimize the time elapsing between the transfer of funds and disbursement by the District, in accordance with the Cash Management Improvement Act at 31 C.F.R. Part 205. Generally, the District receives payment from the TDOE on a reimbursement basis. 2 C.F.R. § 200.305. However, if the District receives an advance in federal grant funds, the District will remit interest earned on the advanced payment quarterly to the federal agency. The District may retain interest amounts up to \$500 per year for administrative expenses. 2 C.F.R. § 200.305(b)(9).

According to guidance from the U.S. Department of Education (ED), when calculating the interest earned on ED grant funds, in any situation where the State draws from the G5 system in advance of the District using non-federal funds to pay vendors and/or employees, the only events and dates that are relevant are: 1) the date on which the federal grant funds are drawn down by the State;

and 2) the date on which those funds are disbursed by the District. Any interest earned on those funds while on-deposit in the District's bank account after drawdown and before disbursement must be included in the interest earned calculation.

### ***Payment Methods***

*Reimbursements:* All reimbursements are based on actual disbursements, not on obligations. The District may initially charge federal grant expenditures to nonfederal funds.

The Director of Finance and Business will request reimbursement for actual expenditures incurred under the federal grants at least monthly. Reimbursement requests will be submitted via ePlan. All reimbursements are based on actual disbursements, not on obligations. All reimbursement requests are tied to specific set-asides and/or approved budget line items and must be approved prior to submission in ePlan.

Consistent with state and federal requirements, the District will maintain source documentation supporting the federal expenditures such as invoices, time sheets, payroll stubs, etc. and will make such documentation available for the TDOE review upon request.

Reimbursements of actual expenditures do not require interest calculations.

*Advances:* To the extent the District receives advance payments of federal grant funds, the District will strive to expend the federal funds on allowable expenditures within 72 hours of receipt. The District will hold federal advance payments in interest-bearing accounts, unless an allowable exception applies. The District will calculate interest earned on cash balances after 72 hours of receipt of advance payments. Interest will be calculated quarterly. Total federal grant cash balances will be calculated on cash balances per grant and applying the District's actual interest rate. The District may retain up to \$500 of interest earned per year. Within 30 days of the end of the quarter, the District will remit interest earned on U.S. Department of Education grants in excess of \$500 to Department of Health and Human Services Payment Management System, Rockville, MD 20852.

### **G. Timely Obligation of Funds**

#### ***When Obligations Are Made***

Obligations are orders placed for property and services, contracts and sub-awards made, and similar transactions during a given period that require payment by the non-Federal entity during the same or a future period. 34 C.F.R. § 200.71

The following table illustrates when funds are determined to be obligated under federal Regulations:

**If the obligation is for: The obligation is made:**

<b>If the obligation is for:</b>	<b>The obligation is made:</b>
Acquisition of property	On the date which the District makes a binding written commitment to acquire the property
Personal services by an employee of the District	When the services are performed
Personal services by a contractor who is not an employee of the District	On the date which the District makes a binding written commitment to obtain the services
Public utility services	When the District receives the services
Travel	When the travel is taken
Rental of property	When the District uses the property
A pre-agreement cost that was properly approved by the Secretary under the cost principles in 2 C.F.R. part 200, Subpart E- Cost Principles.	On the first day of the project period.

34 C.F.R. § 75.707; 34 C.F.R. § 76.707.

***Period of Availability of Federal Funds***

All obligations must occur on or between the beginning and ending dates of the grant project. 34 C.F.R. § 76.707. This period of time is known as the period of availability. The period of availability is dictated by statute and will be indicated in the grant award letter. Further, certain grants have specific requirements for carryover funds that must be adhered to.

*State-Administered Grants:* As a general rule, state-administered federal funds are available for obligation within the year that Congress appropriates the funds for. However, given the unique nature of educational institutions, for many federal education grants, the period of availability is 27 months. Federal education grant funds are typically awarded on July 1 of each year. While the District will always plan to spend all current grant funds within the year the grant was appropriated for, the period of obligation for any grant that is covered by the “Tydings Amendment” is 27 months, extending from July 1 of the fiscal year for which the funds were appropriated through September 30 of the second following fiscal year. This maximum period includes a 15-month period of initial availability, plus a 12-month period for carryover. 34 C.F.R. § 76.709. For example, funds awarded on July 1, 2015 would remain available for obligation through September 30, 2017.

*Direct Grants:* In general, the period of availability for funds authorized under direct grants is identified in the grant award letter.

For both state-administered and direct grants, regardless of the period of availability, the District must liquidate all obligations incurred under the award not later than 90 days after the end of the funding period unless an extension is authorized. 2 C.F.R. § 200.343(b). Any funds not obligated within the period of availability or liquidated within the appropriate timeframe are said to lapse and must be returned to the awarding agency. 2 C.F.R. § 200.343(d). Consequently, the District closely monitors grant spending throughout the grant cycle.

### ***Carryover***

*State-Administered Grants:* As described above, the Tydings Amendment extends the period of availability for applicable state-administered program funds. Essentially, it permits recipients to “carryover” any funds left over at the end of the initial 15-month period into the next year. These leftover funds are typically referred to as carryover funds and continue to be available for obligation for an additional 12 months. 34 C.F.R. § 76.709. Accordingly, the District may have multiple years of grant funds available under the same program at the same time. The district Final Expenditure Report (FER) is reconciled and submitted to TDOE via ePlan. Any carryover funds are automatically transferred to the current grant application to be budgeted prior to expending. For programs with carryover limitations (i.e. ESEA Title I, Title III) a carryover waiver request letter will be submitted to TDOE when the carryover exceeds the cap.

*Direct Grants:* Grantees receiving direct federal grants are not covered by the 12-month Tidings period, i.e. ESEA-Title VI, SRSA. However, under 2 C.F.R. § 200.308, direct grantees enjoy unique authority to expand the period of availability of federal funds. The District is authorized to extend a direct grant automatically for one 12-month period. Prior approval is not required in these circumstances; however, in order to obtain this extension, the District must provide written notice to the federal awarding agency at least 10 calendar days before the end of the period of performance specified in the award. This one-time extension may not be exercised merely for the purpose of using unobligated balances.

The District will seek prior approval from the federal agency when the extension will not be contrary to federal statute, regulation or grant conditions and:



- The terms and conditions of the Federal award prohibit the extension;
- The extension requires additional Federal funds; or
- The extension involves any change in the approved objectives or scope of the project. 2

C.F.R. § 200.308(d)(2).

The district will provide written notice to the federal awarding agency at least 10 calendar days before the end of the period of performance specified in the award. The Manager of Federal Programs, the Director of Finance, and the Director of Schools will make this decision, with the Director of Schools making the final approval. Specific details per the awarding agency will be provided in a written notice from the Director of Federal Programs.

## **H. Program Income**

### ***Definition***

Program income means gross income earned by a grant recipient that is directly generated by a supported activity or earned as a result of the federal award during the grant's period of performance. 2 C.F.R. § 200.80.

Program income includes, but is not limited to, income from fees for services performed, the use or rental of real or personal property acquired under federal awards, the sale of commodities or items fabricated under a federal award, license fees and royalties on patents and copyrights, and principal and interest on loans made with federal award funds. Interest earned on advances of federal funds is not program income. Except as otherwise provided in federal statutes, regulations, or the terms and conditions of the federal award, program income does not include rebates, credits, discounts, and interest earned on any of them. 2 C.F.R. §200.80.

Additionally, taxes, special assessments, levies, fines, and other such revenues raised by a recipient are not program income unless the revenues are specifically identified in the federal award or federal awarding agency regulations as program income. Finally, proceeds from the sale of real property, equipment, or supplies are not program income. 2 C.F.R. § 200.307.

### ***Use of Program Income***

The default method for the use of program income for the District is the deduction method. 2 C.F.R. § 200.307(e). Under the deduction method, program income is deducted from total allowable costs to determine the net allowable costs. Program income will only be used for current costs unless the District is otherwise directed by the federal awarding agency or pass-through

entity. 2 C.F.R. § 200.307(e)(1). The LEA may also request prior approval from the federal awarding agency to use the addition method. Under the addition method, program income may be added to the Federal award by the Federal agency and the non-Federal entity. The program income must then be used for the purposes and under the conditions of the Federal award. 2 C.F.R. § 200.307(e)(2).

While the deduction method is the default method, the District always refers to the grant award letter prior to determining the appropriate use of program income.

**The district does not receive program income.**

### III. Procurement System

The District maintains the following purchasing procedures.

#### A. Responsibility for Purchasing

[Expenditure of Funds](#)

[Purchasing](#)

#### B. Purchase Methods

The type of purchase procedures required depends on the cost of the item(s) being purchased.

**Note, if state or local procurement policy is more restrictive than the federal purchase methods below, districts must always follow the most restrictive policy.**

##### ***Purchases up to \$10,000***

T.C.A. Annotated (T.C.A.) allows a district to choose to follow the prescribed purchasing procedures of the district's local governing body, or to develop its own policies and procedures.

T.C.A. § 49-2-203 (a)(3)(B) states, "If the LEA chooses not to follow the local governing body's purchasing procedures, all purchases of less than ten thousand dollars (\$10,000) may be made in the open market without newspaper notice, but shall, whenever possible, be based upon at least three (3) competitive bids."

The district uses requisitions and purchase orders for procurement. Each department keeps paper copies, as well as electronic copies in Federal Programs. Purchase Orders are pre-numbered, and documents are housed in each department accessible only to appropriate staff.

The requisitions contain a description of the services to be performed and goods to be delivered, a location

where the services are to be performed or goods to be delivered, and the anticipated dates of service or delivery. Packing slips and invoices are also collected and attached to the requisition and purchase order and recorded in a log.

When requests are made, the secretary and or bookkeeper of each department completes the PO request and submits to the department head for approval. Contracts are written by either the vendor or the department in which the service occurs.

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### ***Purchases over \$10,000***

T.C.A. Annotated allows a district to choose to follow the prescribed purchasing procedures of the district's local governing body, or to develop its own policies and procedures. Regarding purchases estimated to exceed ten thousand dollars (\$10,000), T.C.A. § 49-2-203 (a)(3)(A) states "All expenditures for such purposes may follow the prescribed procedures of the LEA's respective local governing body, so long as that body, through its charter, private act or ordinance has established a procurement procedure that provides for advertisement and competitive bidding, except that, if a newspaper advertisement is required, it may be waived in case of emergency. If the LEA chooses not to follow the local governing body's purchasing procedures, all expenditures for such purposes estimated to exceed ten thousand dollars (\$10,000) or more shall be made on competitive bids, which shall be solicited by advertisement in a newspaper of general circulation in the county, except that the newspaper advertisement may be waived in the event of an emergency. School districts that have a purchasing division may use a comprehensive vendor list for the purpose of soliciting competitive bids; provided, further, that the purchasing division shall periodically advertise in a newspaper of general circulation in the county for vendors and shall update the list of vendors following the advertisement."

Regarding purchases less than ten thousand dollars (\$10,000) T.C.A. § 49-2-203 (a)(3)(B) states "If the LEA chooses not to follow the local governing body's purchasing procedures, all purchases of less than ten thousand dollars (\$10,000) may be made in the open market without newspaper notice, but shall, whenever possible, be based upon at least three (3) competitive bids."

The district uses requisitions and purchase orders for procurement. Each department keeps paper copies, as well as electronic copies in Federal Programs. Purchase Orders are pre-numbered, and documents are housed in each department accessible only to appropriate staff. The requisitions contain a description of the services to be performed and goods to be delivered, a location where the services are to be performed or goods to be delivered, and the anticipated dates of service or delivery. Packing slips and invoices are also collected and attached to the requisition and purchase order and recorded in a log.

When requests are made, the secretary and or bookkeeper of each department completes the PO request and submits to the department head for approval. Contracts are written by either the vendor or the department in which the service occurs.

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*Competitive Proposals:* The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:

- Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical;
- Proposals must be solicited from an adequate number of qualified sources; and
- Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered.

For competitive proposals, EDGAR requires recipients to have a written method for conducting technical evaluations of the proposals received and for selecting recipients.

The district uses requisitions and purchase orders for procurement. Each department keeps paper copies, as well as electronic copies in Federal Programs. Purchase Orders are pre-numbered, and documents are housed in each department accessible only to appropriate staff. The requisitions contain a description of the services to be performed and goods to be delivered, a location where the services are to be performed or goods to be delivered, and the anticipated dates of service or delivery. Packing slips and invoices are also collected and attached to the requisition and purchase order and recorded in a log.

When requests are made, the secretary and or bookkeeper of each department completes the PO request and submits to the department head for approval. Contracts are written by either the vendor or the department in which the service occurs.

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*Architectural/Engineering Professional Services:* The District may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.

*Contract/Price Analysis:* A cost or price analysis is performed in connection with every procurement action in excess of \$150,000, including contract modifications. 2 C.F.R. § 200.323(a).

A cost analysis generally means evaluating the separate cost elements that make up the total price, while a price analysis means evaluating the total price, without looking at the individual cost elements.

The method and degree of analysis is dependent on the facts surrounding the particular procurement situation; however, Districts must come to an independent estimate prior to receiving bids or proposals. 2 C.F.R. § 200.323(a).

When performing a cost analysis, the District negotiates profit as a separate element of the price. To establish a fair and reasonable profit, consideration is given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work. 2 C.F.R. § 200.323(b).

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[Bids and Quotations](#)

***Noncompetitive Proposals (Sole Sourcing)***

Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

- The item is available only from a single source;
- The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- The federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the District; or
- After solicitation of a number of sources, competition is determined inadequate.

*Educational Consultants and Similar Services:* In order to procure educational consultants in accordance with T.C.A. § 12-4-106(a)(1), the procurement must be paid with state or local funds:

Contracts by counties, cities, metropolitan governments' towns, utility districts and other municipal and public corporations of the state, for legal services, fiscal agent, financial advisor or advisory services, educational consultant services and similar services by professional persons or groups of high ethical standards, shall not be based upon competitive bids, but shall be awarded on the basis of recognized competence and integrity. The prohibition against competitive bidding in this section shall not prohibit any entity enumerated from interviewing eligible persons or groups to determine the capabilities of such persons or groups.

The district uses requisitions and purchase orders for procurement. Each department keeps paper copies. Purchase Orders are pre-numbered, and documents are housed in each department accessible only to appropriate staff. Purchase Orders are entered into the accounting system. The requisitions contain a description of the services to be performed and goods to be delivered, a location where the services are to be performed or goods to be delivered, and the anticipated dates of service or delivery. Packing slips and invoices are also collected and attached to the requisition and purchase order and recorded in a log. When requests are made, the secretary and or bookkeeper of each department completes the PO request and submits to the department head for approval. Contracts are written

by either the vendor or the department in which the service occurs.

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### ***Cost Price Analysis and Sole Source***

A cost or price analysis will be performed for noncompetitive proposals when the price exceeds \$150,000.

### **C. Purchase Cards**

The District uses purchasing cards which are issued by the Dickson County Schools business office. Cards are issued to administrative positions and other positions as requested and approved by appropriate supervisors/administrators and the Dickson County Finance Department. Maximum amounts that can be charged are set for each account. All purchases are approved by purchase order prior to ordering the item or service. Examples of types of items purchased with the purchasing card include hotel reservations, registration fees, supplies and equipment. Items explicitly prohibited from purchase include, but are not limited to, withdrawals from ATMs, dating and escort services, liquor marts, bail/bond payments, pawn shops, timeshares, betting services and savings bonds. Dickson County Schools business office personnel monitor card purchasing limits and prohibit specific purchases by setting restrictions via a secure internet website.

Purchase orders and invoices must be maintained to support the purchase. Card statements are reviewed by the Dickson County Finance Department and the office which initiated the purchase. Any discrepancies are discussed and reconciled as needed.

### **D. Full and Open Competition**

All procurement transactions must be conducted in a manner providing full and open competition consistent with 2 C.F.R § 200.319. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be

excluded from competing for such procurements. Some of the situations considered to be restrictive of competition include but are not limited to:

- Placing unreasonable requirements on firms in order for them to qualify to do business;

- Requiring unnecessary experience and excessive bonding;
- Noncompetitive pricing practices between firms or between affiliated companies;
- Noncompetitive contracts to consultants that are on retainer contracts;
- Organizational conflicts of interest;
- Specifying only a “brand name” product instead of allowing “an equal” product to be offered and describing the performance or other relevant requirements of the procurement; and
- Any arbitrary action in the procurement process.

EDGAR further requires the following to ensure adequate competition.

### ***Geographical Preferences Prohibited***

The District must conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state, local, or tribal geographical preferences in the evaluation of bids or proposals, except in those cases where applicable federal statutes expressly mandate or encourage geographic preference. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

### ***Prequalified Lists***

The District must ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, the District must not preclude potential bidders from qualifying during the solicitation period.

### ***Solicitation Language***

The District must ensure that all solicitations incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description must not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible.



When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a “brand name or equivalent” description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offers must be clearly stated; and identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals. 2 C.F.R § 200.319(c).

## E. Federal Procurement System Standards

### ***Avoiding Acquisition of Unnecessary or Duplicative Items***

The District must avoid the acquisition of unnecessary or duplicative items. Additionally, consideration is given to consolidating or breaking out procurements to obtain a more economical purchase. And, where appropriate, an analysis must be made of leases versus purchase alternatives, and another other appropriate analysis to determine the most economical approach. These considerations are given as part of the process to determine the allowability of each purchase made with federal funds.

[Purchasing](#)

### ***Use of Intergovernmental Agreements***

To foster greater economy and efficiency, the District shall enter into state and local intergovernmental agreements where appropriate for procurement or use of common or shared goods and services.

[Purchasing](#)

### ***Use of Federal Excess and Surplus Property***

The District shall consider the use of federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.

[Purchasing](#)

### ***Debarment and Suspension***

The District shall award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement.

Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.

The District may not subcontract with or award subgrants to any person or company who is debarred or suspended and is required to check for excluded parties at the System for Award Management website before any procurement transaction. This list is located at:

<http://www.sam.gov/> .

The Dickson County finance department verifies vendors and licensing information and documentation before a contract is awarded.

### ***Maintenance of Procurement Records***

The District must maintain records sufficient to detail the history of all procurements. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, the basis for the contract price (including a cost or price analysis), and verification that the contractor is not suspended or debarred.

**Dickson County School District follow records maintenance and retention guidelines provided by The University of Tennessee County Technical Assistance which is found at**

<http://eli.ctas.tennessee.edu/reference/procurement-process>

### ***Time and Materials Contracts***

The District may use a time and materials type contract only if (1) after a determination that no other contract is suitable; and (2) if the contract includes a ceiling price that the contractor exceeds at its own risk. Time and materials type contract means a contract whose cost to the District is the sum of: the actual costs of materials, and direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.

Since this formula generates an open-ended contract price, a time-and-materials contract provides no positive profit incentive to the contractor for cost control or labor efficiency.

Therefore, each contract must set a ceiling price that the contractor exceeds at its own risk.

Further, the District must assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.

**The district does use time and materials contracts while following the general administrative procedures for purchasing.**

### ***Settlements of Issues Arising Out of Procurements***

The District alone is responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims. These standards do not relieve the District of any contractual responsibilities under its contracts. Violations of law will be referred to the local, state, or federal authority having proper jurisdiction.

#### **PROCEDURE:**

ANY VENDOR REQUESTING A FORMAL BID PROTEST HEARING MUST MAKE THIS REQUEST IN WRITING TO THE MADISON COUNTY FINANCIAL MANAGEMENT DIRECTOR AT THE EARLIEST DATE POSSIBLE FOLLOWING THE BID OPENING.

THE VENDOR'S LETTER OF REQUEST MUST STATE IN DETAIL ALL REASONS AND JUSTIFICATION FOR THE HEARING REQUEST.

THE LETTER OF REQUEST WILL BE SENT TO ALL MEMBERS OF THE MADISON COUNTY FINANCIAL MANAGEMENT COMMITTEE FOR THEIR REVIEW AND FOR THE DISCUSSION DURING THE NEXT SCHEDULED FINANCIAL MANAGEMENT COMMITTEE MEETING.

THE FINANCIAL MANAGEMENT COMMITTEE WILL DETERMINE, BASED ON THE DETAILS AND REASONS STATED WITHIN THE LETTER OF REQUEST AND AFTER HEARING FROM THE COUNTY DEPARTMENT OR OFFICE INVOLVED IF A HEARING IS DEEMED APPROPRIATE.

THE VENDOR WILL BE IMMEDIATELY NOTIFIED IN WRITING AS TO THE RESULTS OF THIS MEETING BY THE FINANCIAL MANAGEMENT DIRECTOR.

IF THE VENDOR DISAGREES WITH THE DECISION OF THE FINANCIAL MANAGEMENT COMMITTEE TO NOT GRANT A PROTEST HEARING, THAT VENDOR MAY REQUEST & RECEIVE PERMISSION TO MEET WITH & ADDRESS THE FINANCIAL MANAGEMENT COMMITTEE DIRECTLY AT THEIR NEXT SCHEDULED MEETING.

IF THE FINANCIAL MANAGEMENT COMMITTEE DETERMINES THAT VALID REASONS EXIST TO WARRANT A FORMAL BID PROTEST HEARING, ONE WILL BE SCHEDULED AND ALL VENDORS THAT SUBMITTED A BID & THE COUNTY DEPARTMENT HEAD REQUESTING THE GOODS OR SERVICES WILL BE NOTIFIED IN WRITING AS TO THE TIME AND DATE OF THE HEARING.

ALL SUBMITTING VENDORS WILL BE NOTIFIED OF THE FINANCIAL MANAGEMENT COMMITTEE'S DECISION NO LATER THAN THE FOLLOWING DAY.

### ***Protest Procedures to Resolve Dispute***

The District shall maintain protest procedures to handle and resolve disputes relating to procurements and, in all instances, disclose information regarding the protest to the awarding agency.

**PROCEDURE:**

ANY VENDOR REQUESTING A FORMAL BID PROTEST HEARING MUST MAKE THIS REQUEST IN WRITING TO THE MADISON COUNTY FINANCIAL MANAGEMENT DIRECTOR AT THE EARLIEST DATE POSSIBLE FOLLOWING THE BID OPENING.

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IF THE FINANCIAL MANAGEMENT COMMITTEE DETERMINES THAT VALID REASONS EXIST TO WARRANT A FORMAL BID PROTEST HEARING, ONE WILL BE SCHEDULED AND ALL VENDORS THAT SUBMITTED A BID & THE COUNTY DEPARTMENT HEAD REQUESTING THE GOODS OR SERVICES WILL BE NOTIFIED IN WRITING AS TO THE TIME AND DATE OF THE HEARING.

ALL SUBMITTING VENDORS WILL BE NOTIFIED OF THE FINANCIAL MANAGEMENT COMMITTEE'S DECISION NO LATER THAN THE FOLLOWING DAY.

**F. Conflict of Interest Requirements*****Standards of Conduct***

In accordance with 2 C.F.R. § 200.18(c)(1), the District maintains the following standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts.

No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest.

Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.

The officers, employees, and agents of the District may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts, unless the gift is an unsolicited item of nominal value.

[Gifts and Bequest](#)

[Vendor Relations](#)

[Conflict of Interest](#)

[Conflict of Interest Disclosure Statement](#)

[Boardsmanship Code of Ethics](#)

[Board Member Conflict of Interest](#)

[Nepotism](#)

[Code of Ethics](#)

### ***Organizational Conflicts***

Organizational conflicts of interest mean that because of relationships with a parent company, affiliate, or subsidiary organization, the non-Federal entity is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization. 2 C.F.R § 200.318(c)(2).

**Not Applicable.**

### ***Disciplinary Actions***

[Complaints and Grievances](#)

[Discrimination/Harassment of Employees](#)

[Complaints About School Personnel](#)

### ***Mandatory Disclosure***

Upon discovery of any potential conflict, the District shall disclose in writing the potential conflict to the federal awarding agency in accordance with applicable federal awarding agency policy.

[Vendor Relations](#)

In the case of potential conflict, the district will notify the applicable federal awarding agency.

## G. Contract Administration

The District shall maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders 2 C.F.R. § 200.318.

### [Purchase Orders and Contracts](#)

## IV. Property Management Systems

### A. Property Classifications

*Equipment* means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the District for financial statement purposes, or \$5,000. 2 C.F.R. § 200.33.

*Supplies* means all tangible personal property other than those described in § 200.33 Equipment. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the District for financial statement purposes or \$5,000, regardless of the length of its useful life. 2 C.F.R. § 200.94.

*Computing devices* means machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or “peripherals”) for printing, transmitting and receiving, or storing electronic information. 2 C.F.R. § 200.20.

*Capital assets* means tangible or intangible assets used in operations having a useful life of more than one year which are capitalized in accordance with GAAP. Capital assets include:

- Land, buildings (facilities), equipment, and intellectual property (including software) whether acquired by purchase, construction, manufacture, lease-purchase, exchange, or through capital leases; and
- Additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations or alterations to capital assets that materially increase their value or useful life (not ordinary repairs and maintenance). 2 C.F.R. § 200.12.

### [Inventories](#)

### B. Inventory Procedure

Inventory is received at our Central Office and at individual schools. When received at Central Office, our technology department receives and signs for items and distributes to appropriate offices. When inventory

is received at individual school, office staff receives and signs for the items and distributes to appropriate staff. All staff who receives items inspects the property to verify condition and consistency with the purchase order and invoice. Department staff and school staff sign packaging slips and submit it to finance departments for reconciliation of invoice. Technology items are tagged by staff and logged into their district property management system. The district technology staff is responsible for configuring or installing certain types of equipment and/or computing devices.

## [Inventories](#)

### C. Inventory Records

For each equipment and computing device purchased with federal funds, the following information is maintained:

- Serial number or other identification number;
- Source of funding for the property;
- Who holds title;
- Acquisition date and cost of the property;
- Percentage of federal participation in the project costs for the federal award under which the property was acquired;
- Location, use and condition of the property; and
- Any ultimate disposition data including the date of disposal and sale price of the property.

**See Appendix A**

### D. Physical Inventory

A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.

A physical inventory is conducted annually in the fall by school and department staff of non-consumable items under their care and kept in the appropriate department office and updated throughout the year as items are acquired or removed. The posting of items acquired will include a funding source when purchased or location source when coming from within the district. When items are removed, the listing is changed to indicate the new location and will be removed through the appropriate disposition procedure based on state guidelines.

**See Appendix A**

## [Inventories](#)

## **E. Property/Equipment Maintenance**

In accordance with 2 C.F.R.313(d)(4), the District maintains adequate maintenance procedures to ensure that property is kept in good condition.

District property is to be used for district purposes only. Personal use of district inventory is not permitted. If any item is broken, a work order is submitted to appropriate department for repair.

**See Appendix A**

[Equipment and Supplies Management](#)

## **F. Lost or Stolen Items**

The District maintains a control system that ensures adequate safeguards are in place to prevent loss, damage, or theft of the property. Equipment that is stolen is reported to local jurisdiction of law enforcement.

District vehicles and computing devices are allowed to be taken off-site. Each Principal / District Department Administrator is responsible for maintaining a check list of such property assigned to an employee under their administration. The staff is responsible for safeguarding property in their care. Vehicles have government tags registered to the District and are numbered by the Transportation department. Computing property is tagged by the Technology department with a tag identifying the item as property of the school district. Equipment that is lost or stolen is to be reported to the Principal/District Department Administrator as soon as the item is noticed missing. A thorough search is conducted, and when appropriate, a police and insurance report are filed.

**See Appendix A**

[Equipment and Supplies Management](#)

## **G. Use of Equipment**

Equipment must be used in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by the federal award, and the District will not encumber the property without prior approval of the federal awarding agency and the pass-through entity. When no longer needed for the original program or project, the equipment may be used in other activities supported by the federal awarding agency, in the following order of priority: (1) activities under a federal award from the federal awarding agency which funded the original program or project; then (2) activities under federal awards from other federal awarding agencies.



During the time equipment is used on the project or program for which it was acquired, the equipment will also be made available for use on other projects or programs currently or previously supported by the federal government, provided that such use will not interfere with the work on the projects or program for which it was originally acquired. First preference for other use must be given to other programs or projects supported by the federal awarding agency that financed the equipment. Second preference is given to programs or projects under federal awards from other federal awarding agencies. Use for non-federally funded programs or projects is also permissible.

Redistribution of equipment and supplies are processed through the department of purchase (i.e., Federal Programs, Special Education, Technology, Academics, etc.) based on the specific funding rules and regulations and the areas of need in the district. If items purchased with federal funds are no longer needed by the original federal program, then those items are offered to other programs supported by other federal awarding agencies.

**See Appendix A/C**

#### [Equipment and Supplies Management](#)

### H. Disposal of Equipment

When it is determined that original or replacement equipment acquired under a federal award is no longer needed for the original project or program or for other activities currently or previously supported by a federal awarding agency, the shall contact the awarding agency (or pass-through for a state-administered grant) for disposition instructions.

Generally, disposition of equipment is dependent on its fair market value (FMV) at the time of disposition. If the item has a current FMV of \$5,000 or less, it may be retained, sold, or otherwise disposed of with no further obligation to the federal awarding agency. If the item has a current FMV of more than \$5,000, the federal awarding agency is entitled to the federal share of the current market value or sales proceeds.

If acquiring replacement equipment, the District may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property.

**Items that are no longer needed following federal guidelines and disposition procedures are determined to be surplus. When items are determined to be surplus, they are moved to a central location for auction. The Maintenance and Transportation Departments coordinate the auction through an auction company. Proceeds from the auction are posted to**

**the appropriate funding source.**

**See Appendix A**

[Property Sales](#)

## **V. Written Compensation Policies**

### **A. Time and Effort**

#### ***Time and Effort Standards***

All employees who are paid in full or in part with federal funds must keep specific documents to demonstrate the amount of time they spent on grant activities. C.F.R. § 200.430(i)(1). In addition, employees who are paid from state and local funds, but whose salaries are used for cost sharing or matching must also keep time and effort documentation. 2 C.F.R. § 200.430(i)(4).

Charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed. In accordance with 2 C.F.R. § 200.430(i)(1), these records must:

- Be supported by a system of internal controls which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- Be incorporated into official records;
- Reasonably reflect total activity for which the employee is compensated, not exceeding 100% of compensated activities;
- Encompass both federally assisted and all other activities compensated by the District on an integrated basis;
- Comply with the established accounting policies and practices of the District and
- Support the distribution of the employee's salary or wages among specific activities or costs objectives.

Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to federal awards, but may be used for interim accounting purposes provided that the system for establishing the estimates produces reasonable approximations of the activity actually performed. 200.430(i)(1)(viii).

**See Appendix D**

### ***Time and Effort Procedures***

In order to meet the above requirements, all employees who must complete time and effort forms must submit either a semi-annual certification or a personnel activity report (PAR) as required below. The type of form depends on the number of cost objectives that an employee works on.

A cost objective is a program, function, activity, award, organizational subdivision, contract, or work unit of which cost data are described and from which provision is made to accumulate and measure the cost of processes, products, jobs, capital projects, etc. 2 C.F.R. § 200.28.

All employees who work on a single cost objective must complete a semi-annual certification.

The semi-annual certification must be:

1. Completed at least every six (6) months;
2. Be signed by the employee or the supervisor with direct knowledge of the work being performed;
3. Reflect an after-the-fact distribution of the actual activity; and
4. Account for the total activity for which each employee is compensated.

All employees who work on multiple cost objectives must complete PARs that support the distribution of their salaries /wages that meet the following standards:

1. Reflect an after-the-fact distribution of the actual activity;
2. Account for the total activity for which each employee is compensated;
3. Are prepared at least monthly & coincide with one or more pay periods; and
4. Are signed by the employee.

**Dickson County School district uses semi-annual certifications for federally funded programs.**

**The director of the responsible department or the principal of the school for which the employee is assigned signs the semi-annual certifications. These are completed at the end of each semester.**

### **Appendix B – Semi-Annual Certification Sample**

### ***Reconciliation and Closeout Procedures***

It is critical for payroll charges to match the actual distribution of time recorded on the monthly certification documents. Budget estimates or other distribution percentages determined before

services are performed do not qualify as support for charges to federal awards, but may be used for interim accounting purposes provided that the system for establishing the estimates produces reasonable approximations of the activity actually performed.

If using budget estimates for interim accounting purposes, EDGAR requires recipients to identify and enter into the records in a timely manner any significant changes in the corresponding work activity. Additionally, the recipient must have a system of internal controls to review after-the fact interim charges made to a federal award based on budget estimates. All necessary adjustments must be made such that the final amount charged to the federal award is accurate, allowable, and properly allocated.

**The district finance office prepares a monthly Statement of Expenditures and Encumbrances. The statement is distributed to the appropriate department at least quarterly. Adjustments are made to the district budgets after proper approval. All department budgets are reconciled with the district budgets at the end of each fiscal year. All time and effort certifications are reviewed bi-annually for accuracy and appropriate signatures and dates. See Appendix B**

### ***Employee Exits***

[Separation Practices for Tenured Teachers](#)

[Separation Practices for Non-Tenured Teachers](#)

[Separation Practices for Non-Certified Employees](#)

## **B. Human Resources Policies**

The District shall have human resource policies which at least cover (1) how employees are hired (2 C.F.R. § 200.430(a)(2));

[Application and Employment](#)

[Orientation and Probation](#)

(2) the extent to which employees may provide professional services outside the District (2 C.F.R. § 200.430(c));

[Non- School Employment](#)

(3) the provision of fringe benefits, including leave and insurance, (2 C.F.R. § 200.431));

[Short Term Leave of Absence](#)

[Emergency and Legal Leave](#)

[Sick Leave](#)

[Personal and Professional Leave](#)

[Long Term Leaves of Absence](#)

[Family and Medical Leave](#)

[Military Leave](#)

(4) the use of recruiting expenses to attract personnel (2 C.F.R. § 200.463(b));

[Recruitment and Selection](#)

(5) reimbursement for relocations costs. 2 C.F.R. § 200.464.

N/A

## VI. Record Keeping

### A. Record Retention

The District maintains all records that fully show (1) the amount of funds under the grant or subgrant; (2) how the subgrantee uses those funds; (3) the total cost of each project; (4) the share of the total cost of each project provided from other sources; (5) other records to facilitate an effective audit; and (6) other records to show compliance with federal program requirements. 34 C.F.R. §§ 76.730-.731 and §§ 75.730-.731. The District also maintains records of significant project experiences and results. 34 C.F.R. § 75.732. These records and accounts must be retained and made available for programmatic or financial audit.

The U.S. Department of Education is authorized to recover any federal funds misspent within 5 years before the receipt of a program determination letter. 34 C.F.R. § 81.31(c). Consequently, the District retain records for a minimum of five (5) years from the date on which the final Financial Status Report is submitted, unless otherwise notified in writing to extend the retention period by the awarding agency, cognizant agency for audit, oversight agency for audit, or cognizant agency for indirect costs. However, if any litigation, claim, or audit is started before the expiration of the record retention period, the records will be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken. 2 C.F.R. § 200.333.

**Federal records for DCS are kept for 5 years. When records are no longer needed, they are shredded for disposal.**

[Financial Reports and Records](#)

## B. Collection and Transmission of Records

**Records are kept both electronically and as paper copies within each department in the DCS district. Records are transmitted electronically via ePlan to the state for monitoring, as well as provided physically when requested.**

[Financial Reports and Records](#)

## C. Access to Records

The District provides the awarding agency, Inspectors General, the Comptroller General of the United States, and the pass-through entity, or any of their authorized representatives the right of access to any documents, papers, or other records of the District which are pertinent to the Federal award, in order to make audits, examinations, excerpts, and transcripts. The right also includes timely and reasonable access to the District's personnel for the purpose of interview and discussion related to such documents.

## D. Privacy

**Users who interface with sensitive information are required to change passwords frequently. Training for all employees on FERPA is an ongoing basis. All records are in a secure location. Any access is for educational uses only. Parent portal for student database allows parents to review records and alert staff to concerns and issues. All policies are followed by staff.**

[Student Records](#)

[Student Records: Use of Student Records](#)

[Media Access to Students](#)

[Student Records: Inspection and Correction](#)

[School Board Records \(Viewing Staff Records\)](#)

[Student Records Annual Notification of Rights](#)

## VII. Subrecipient Monitoring

In the event that the District awards subgrants to other entities, it is responsible for monitoring those grant subrecipients to ensure compliance with federal, state, and local laws. Monitoring is the regular and systematic examination of all aspects associated with the administration and implementation of a program. Each program office that awards a subgrant must have its own monitoring policy. This policy must ensure that any monitoring findings are corrected.

## Not Applicable

### VIII. Frequently Asked Questions

### IX. Legal Authorities and Helpful Resources

The following documents contain relevant grants management requirements. Staff should be familiar with these materials and consult them when making decisions related to the federal grant.

☐ Education Department General Administrative Regulations (EDGAR)

- [Edgar Regulations](#)

☐ Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (2 C.F.R. Part 200)

- [Uniform Administrative Requirements, Cost Principal and Audit Requirements](#)

☐ USDE's Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (2 C.F.R. Part 3474)

[USDE's Uniform Administrative Requirements, Cost Principles and Audit Requirements](#)

☐ Federal program statutes, regulations, and guidance

- <http://www.ed.gov/>
- <http://www.tennessee.gov/education/districts/index.shtml>

☐ State regulations, rules, and policies

- TN State Board of Education Rules and Regulations

☐ [http://www.tn.gov/sbe/rul\\_reg.shtml](http://www.tn.gov/sbe/rul_reg.shtml)

- TN State Board of Education Policies, Standards, and Guidelines

☐ <http://www.tn.gov/sbe/policies.shtml>

☐ District regulations, rules, and policies

- [Dickson County Schools Board Policies](#)

## Appendix A

### Equipment and Inventory Guidelines and Procedures

#### **Definition of Equipment**

Every local educational agency (LEA) should have an approved definition of *equipment*. The state of Tennessee definition of *equipment* applies as follows: *equipment* is “all items (machinery, implements, tools, furniture, livestock, vehicles, and other apparatus) purchased with an object code of 16 with a unit cost of \$5,000.00 or more and a minimum useful life expectancy of three years. Freight charges and installation cost should be included as cost of equipment. *Sensitive minor equipment* is defined as “items purchased with an object code of 099 with a cost between \$100.00 and \$5,000.00.” It includes sensitive items such as computers, external computer peripherals, weapons, etc., as determined by the State Personal Property Section.

#### **Sensitive Item Listing:**

CAMERA BODIES (35mm & DIGITAL)  
CAMERA LENS (200MM OR LARGER)  
COMPUTERS  
COMPUTER PERIPHERALS (EXTERNAL)  
COLOR BAR GENERATORS  
FAX MACHINES  
TELEVISIONS  
TWO/WAY RADIO TRANS/REC  
VIDEO CAMERAS  
VIDEO RECORDERS & PLAYERS

The LEA definition for equipment can be more restrictive than this definition, but it cannot be less restrictive.

#### **Guidelines for Equipment**

*Purchasing*--LEAs will budget in the equipment line item sufficient funds for planned purchases of any items to be considered to be equipment in the LEA. The LEA will maintain all supporting documentation: inventory records, purchase orders, receipts, and vendor contracts.

Prior written approval by the ESEA field service consultant is required only for purchases of those items of equipment that have a unit cost of \$5,000 or more.

All purchases must be made in compliance with policies and statutes governing the LEA.

*Allowable Equipment*--The LEA is responsible for assuring that only allowable equipment is purchased. To avoid problems, the LEA should submit a list of proposed purchases to its ESEA field service consultant for discussion. However, prior approval in writing is required only for items costing \$5,000 or more.



An LEA may purchase or lease equipment with ESEA funds if 1) it is reasonable and necessary to operate its federal program effectively, 2) existing equipment will not be sufficient and (3) the costs are reasonable.

Real property and equipment purchased with ESEA funds may be made available to other educational programs or projects, providing this use does not interfere with its use for the ESEA program or significantly shorten the equipment's useful life.

*Bar codes*--A bar code or other type of secure tag must be affixed to identify each piece of equipment. The name of the LEA, the Title, and project year of the purchase is required unless the purchases are made as part of schoolwide projects under Title I. Equipment items bought as a part of a Title I schoolwide program are required to have the following: the name of the LEA, the name of the school, the project year of the purchase, and *schoolwide*.

All items purchased as equipment, including sensitive equipment, as well as materials and supplies must be accounted for in such a manner as to avoid fraud, waste, or abuse. These purchases will be reviewed as a part of the regular monitoring process.

### **Equipment Inventory (EDGAR Section 80.32)**

The LEA must maintain an inventory of equipment purchased with federal grant funds until disposition takes place.

The property/inventory records must include the following information:

Description of the property;

- A serial number or other identification number;
  - The source of the property;
  - Who holds title;
  - The acquisition date;
  - Cost of the property;
  - Percentage of Federal participation in the cost of the property;
  - The location, use, and condition of the property, and;
  - Any ultimate disposition data including date of disposal and the sale price of the property.
- (See ED-5091.)

A physical inventory with reconciliation with property records is required at least once every two years.

Also, an inventory control system must be developed and implemented to prevent loss, damage, or theft of the property. Any loss, damage, or theft shall be investigated.

Adequate maintenance procedures must be developed to keep property in good condition.

### **Equipment Requirements Concerning Private Schools ( 34 CFR §299.9)**

The LEA must keep title to, and exercise continuing administrative control of, all property, equipment, and supplies that the LEA acquires with funds under a covered program for the benefit of eligible private school children and their teachers or other educational personnel.

Barcodes must be put on equipment, and it must be labeled with the name of the LEA, Title program purchased under, and the year of purchase. An accurate inventory of this equipment must be maintained.

**Disposition of Equipment (EDGAR 80.32)**

Equipment may be disposed of with no obligation to the federal government, if **ALL** of the following criteria are met:

1. Equipment is no longer needed in the current program.
2. Equipment is not needed in other programs currently or previously funded by a federal agency.
3. Equipment item has a current per-unit fair market value of less than \$5,000.

If the LEA disposes of equipment with a fair market value of less than \$5,000, the proceeds must be used to support the program for which the equipment was purchased. No request for approval of equipment disposition is required.

If the equipment's fair market value is more than \$5,000, the LEA must submit a cover letter with supporting documentation as per the forms provided by the Office of Federal Programs to its ESEA field service consultant for review and submission to the Office of Federal Programs. Upon approval from the Executive Director of Federal Programs, the LEA may proceed with the disposition process. If items are to be sold after approval of the disposition, the proceeds must be used to support the program for which the equipment was purchased. Documentation of such sale and use for the program must be maintained.

If authorized or required to sell property, proper sales procedures must be established to ensure the highest possible return.

## Appendix B –

### Dickson County Schools Supervisor Certification / Assurance

I assure that the employees listed below are devoting **100%** of their work time to allowable \_\_\_\_\_ activities under \_\_\_\_\_ (Title I, Title IIA, Title IID, Title III, Title IV, Title V, Title VI, Title X, Consolidated Administration) funds derived from the No Child Left Behind Act of 2001 for the period beginning \_\_\_\_\_ and ending \_\_\_\_\_.

Name of Employee	Position	Name of Employee	Position

\_\_\_\_\_  
Supervisor's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

\_\_\_\_\_  
School Name / Job Location

**NOTE:** List all employees funded under applicable budgets (Title I, IIA, IID, III, IV, V, VI, X etc).  
Separate each program area with separate pages.

## Appendix C:



### **Dickson County Schools Acceptable Use Policy – Network and Equipment Access**

#### Purpose:

To establish guidelines for county-owned hardware, software, computer network access, Internet access, email usage, security and privacy for employees of Dickson County Schools.

#### Objectives:

- Ensure the protection and proper use of proprietary, personal, privileged, or otherwise sensitive data and resources.
- Provide uninterrupted network resources to users.
- Maintain security of and access to networked data and resources on an authorized basis.
- Secure email from unauthorized access.
- Protect the confidentiality and integrity of files and programs from unauthorized users.
- Inform users there is no expectation of privacy in their use of county-owned hardware, software, or computer network access and county email.

#### Scope:

This Acceptable Use Policy applies to all individuals who have been provided access rights to the Dickson County Schools networks, County Schools provided email, and/or wired or wireless Internet access.

#### Prohibited Uses of DCBE Technology Resources:

- DCBE technology resources shall not be used for personal profit.
- DCBE technology resources shall not be used to further political causes.
- Users shall not upload or transfer out of district control any software licensed to the district.
- Users shall not bypass or attempt to bypass any of the district's security or content filtering safeguards.
- Confidentiality of email communication cannot be assured. Email correspondence may be a public record under the public records law and may be subject to public inspection.

*I hereby certify that I have read, understand, and agree to the terms and conditions set forth in this agreement.*

\_\_\_\_\_  
Employee Printed Name

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date

**Appendix D:**

**DICKSON COUNTY SCHOOLS**

**DANNY L. WEEKS, ED.D.  
DIRECTOR OF SCHOOLS**

**LINDA FRAZIER  
BUSINESS MANAGER**

**JUNE 2016**

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The purpose of this manual is to document the internal controls for accounting, budgeting, treasury, and procurement policies and procedures of the Dickson County School System. This manual is designed to provide guidance and direction of Dickson County School Board policies, the Internal School Uniform Accounting Policy Manual, and other applicable legislative or governance documents.

## **GUIDING PRINCIPLES OF THE DICKSON COUNTY SCHOOL SYSTEM FINANCIAL POLICIES & PROCEDURES**

- **Transparency.** Financial reporting will be transparent, and align to the budgets developed for the Dickson County School System.
- **Autonomy.** System leaders will be given autonomy over the controllable expenditures in their departments as long as such expenditures are aligned with the System's Mission and Vision Statements. They may allocate resources in such ways that maximize student outcomes. These resource allocations may change, even during the school year, as academic results are measured and funding requirements are adjusted.
- **Accountability.** The System's leadership assumes responsibility, within its financial capabilities, for providing at public expense services, equipment, and supplies that may be required in the interest of education in the schools under its jurisdiction.

## INTERNAL CONTROLS QUESTIONS & ANSWERS

### 1. Budget adoption:

- a. Does the System have an adopted policy to set forth the budget process? *Yes, Policy 2.200.*
- b. Does the System have any additional guidelines to assist in the budget adoption process? *Yes, Policy 2.201.*
- c. Who must approve the original budget? *Policy 2.200 designates the responsibility to the Board.*
- d. What type of software is used in the finance department? *Policy 2.700 gives authority to use financial software. Local Government – FlexGen.*
- e. Is the original budget posted to the software? *Yes* Who posts it? *The Business Manager.*
- f. Who reviews the budget to ensure accurate posting of the original budget? *The Director of Schools.*

### 2. Budget amendments:

- a. Who coordinates the monitoring of the adopted budget through the year to ensure that any amendments are made promptly and before an overage occurs? *Policy 2.701. The Executive Committee shall submit a financial report each month to the Board of Education. A quarterly report is given to the County Commission. Policy 2.201 discusses procedures for transfer authority and budget amendments.*

### 3. Purchasing:

- a. Has the System adopted a policy for purchasing? *Yes, Policies 2.800, 2.805, and 2.808.*
- b. Which purchases are excluded from having a requisition approved by the finance office? *Policy 2.801 discusses petty cash accounts. No petty cash accounts are kept. Policy 2.805 discusses routine purchases.*
- c. Who receives the requisitions in finance to verify available funding in the budget? *The Business Manager.*
- d. Who issues the purchase order once the funding is verified? *The Business Manager.*
- e. Who enters the purchase order into the accounting software? *The Business Manager*
- f. How does the finance department ensure the ordered goods were received? *The recipient is to sign and return the packing/shipping list to the Accounts Payable Clerk.*
- g. What happens to the purchase order after this step if the goods were received? *The purchase order is placed in a “to be paid” file until the invoice is received.*
- h. Who prepares the checks for payments? *Accounts Payable Clerk.*
- i. Does the office negotiate early discount payments? *If applicable. If so, who does this? Accounts payable clerk.*
- j. When will the vendor receive payment? *Checks are processed weekly if appropriate documentation has been received.*



4. Store cards:

- a. What store cards are maintained in the finance department? *Wal-Mart, Office Depot, Home Depot.*
- b. How are they secured? *Locked in a room with secured access.*
- c. What process is used for the departments to utilize the cards? *Purchase requisition is issued first, approval for purchase is given, then the card is signed out.*
- d. Are blanket purchase orders utilized for some store card purchase orders? *Yes, for Wal-Mart.*

5. Credit cards:

- a. Does the System have an adopted credit card policy?
- b. How many cards does the finance office have? *Two*
- c. How are they secured? *By the Business Manager and the Director of Schools.*
- d. For what type of purchases are these used? *Online purchases, travel, with vendors where credit accounts are not established, or as approved by the Business Manager.*
- e. What process is used for other departments to utilize the credit cards? *Purchase requisition is issued first, approval for purchase is given, and the card is signed out.*
- f. Who is responsible for signing off on the credit card invoices for all purchases made in each department? *Invoices are verified by the Accounts Payable clerk.*

6. Contracts:

- a. Who signs all contracts dealing with purchasing? *The Director of Schools.*
- b. Over what amount must contracts be competitively bid? *\$10,000* Are quotes solicited for contracts below competitive bid amounts? *Yes, but not required. Particularly these are done by those between \$5,000 and \$9,999.*
- c. How are contracts over 12 months approved? *The Director of Schools.*
- d. Who coordinates with the individual departments to ensure contract compliance from the vendors? *The Business Manager.*
- e. Who approves all grant contracts? *The Director of Schools.* And who must sign them? *The Director of Schools.*

7. Emergency Purchases:

- a. If the System has an emergency purchases policy, who enforces the policy? *Policy 2.805. The Executive Committee.*
- b. Who signs the emergency purchase justification form? *The Business Manager and the Director of Schools.*

8. Payroll:

- a. How is payroll authorized each fiscal year? *Through the approval of the budget by the Board and County Commission.*
- b. Does the finance director assist the System officials with completing their letters of agreement if requested? *Yes, if requested.*

- c. Who monitors all payroll line items during the fiscal year to ensure payroll costs do not exceed county commission approved amounts without a budget amendment first being approved? *The Business Manager.*

9. Employee Benefits:

- a. Does the county participate in TCRS for full-time employees? *Yes.*
- b. Are any employees allowed to maintain health insurance after they retire? *No.* Which ones? *N/A.*
- c. Who monitors the OPEB and pension obligations for the county along with a contracted actuary? *TCRS.*
- d. Who is responsible for ensuring compliance with the county personnel policies so that only eligible employees / retirees receive OPEB and pension benefits? *The Payroll clerk.*
- e. Who reviews the status of the employees and retirees to check for eligibility status for these benefits? *The Payroll Clerk.* How often? *Upon notification of retirement.*

10. Vacation and leave obligations:

- a. Who coordinates with payroll clerks and various departments and offices to ensure that all vacation / sick / compensatory time that is accrued is accounted for accurately and is in compliance with personnel policies and within legal limits (comp time)? *The Payroll Office & Business Manager.*

11. Debt issuance and management:

- a. Who coordinates with the financial adviser (bonds) and financial institutions (capital outlay notes) to ensure that the System is in compliance with the adopted county debt management policy and state law? *The County Mayor and County Finance Director.*
- b. Who is responsible for an annual review of the county debt management policy? *The County Mayor and County Finance Director.*
- c. Who reviews all leases for equipment (copiers, office equipment) to guard against the System entering into a capital lease by accident? *The Business Manager.*

12. Control Environment:

- a. Do all finance department employees have written job descriptions? *Yes.*
- b. Are criminal background checks performed prior to employment? *Yes.*
- c. How does the director set the tone for the office? *Policy 2.100.*
- d. How does the director communicate what is expected of the finance department personnel? *Daily oral communication and written communication if necessary.*

13. Physical security of the office:

- a. Who has a key to the finance office? *Most Central Office employees, the Maintenance Coordinator and those designated by the Maintenance Coordinator as needing entry,*

- b. Who has a key to the main door of the Central Office? *Most Central Office employees, all Directors, the Maintenance Coordinator and those designated by the Maintenance Coordinator as needing entry.*
- c. How often are the locks changed? *There is no regular schedule for changing, locks may be changed as needed.*
- d. Is the office secured with cameras? *No.*
- e. Is there a vault in the office? *Yes.*
- f. When is it locked? *At all times unless occupied.*
- g. Who has access to the vault? *Finance Director, Payroll Clerk, SNP Bookkeeper, Director of Schools' Administrative Assistant, Director of Schools, CO Maintenance Employee.*

14. Receipting:

- a. Who is assigned to open mail, stamp checks "For Deposit Only #account number" immediately upon receipt? *The Business Manager.*
- b. Are all individuals that are authorized to receipt and/or have access to System funds covered by the System blanket liability bond/insurance? *Yes.*
- c. Whose bank account number is on the stamp? *None It reads, "For Deposit Only, Dickson County Trustee."*
- d. Who is responsible for issuing receipts for the mail-in checks in a pre-printed receipt book? *The Business Manager.*
- e. How are daily funds secured? *Locked in a secured room.*
- f. Who is responsible for securing them? *The Business Manager.*
- g. Who manually issues receipts for over-the-counter checks in the pre-printed finance department receipt book? *The Receptionist, the HR Assistant, the Business Manager.*

15. Disbursements:

- a. Who collects the payroll change notices from department heads? *The Human Resource office provides those to the Payroll Clerk.*
- b. Who checks the employee database and current fiscal year budget for availability of funds for the changes being requested in regard to payroll/staff? *The Director of Schools and the Business Manager.*
- c. Who performs new hire orientation, and/or processes the approved changes in the payroll software? *The Payroll clerks.*
- d. Who checks data entries for employee additions or changes in the payroll software to ensure accuracy? *The Business Manager.*
- e. Who physically enters invoices and prepares for the issuance of checks? *Accounts payable clerk.*
- f. Who physically prints checks and prepares the checks for signature? *The Accounts payable clerk.*
- g. Who determines the reason and examines documentation for the issuance of the check? *The Accounts payable clerk.*
- h. Are two signatures signed on non-payroll checks? *Yes.* Who signs for each department? *The Board Chairman and the Director of Schools.* Who are the backup signers? *None.*

- i. Who processes the signed checks and invoices, stubs, check copies and mail? *The Accounts Payable Clerk.*
- j. Who reconciles the accounts payable bank statements with the trustee and finance software? *The Business Manager.*
- k. Who collects timesheets to indicate approval of the hours worked and leave calculations? *The Payroll Department.*
- l. Who calculates salaries and deductions in software and proof with a co-worker? *The Payroll Department*
- m. Are all timesheets recalculated, signed by the employee and signed as approved by the employee's supervisor? *Yes.* Does the finance director ensure this has been done in every case? *Yes.* Does each and every employee complete some form of time and attendance record leave taken, leave balance as well as time worked? *No, teachers do not.*
- n. Who is responsible for processing payroll and posting it to the general ledger? *The Payroll clerk.*
- o. Who uploads check stubs into eStub software? *eStub is not used.*
- p. Does the system issue physical payroll checks? *Only on special occasions.* If so, who signs them? *The Director of Schools and the Board Chairman.*
- q. Who determines ACH accuracy and uploads to the bank online treasury management to build and release the files for the necessary date(s)? *The Payroll Clerk.*
- r. Who determines that all payroll deductions are paid to proper payee and that payroll deductions clear out for each payroll period? *The Payroll Clerk.*
- s. Who calculates the amount of the payroll tax deposit by utilizing payroll records? *The Payroll Clerk.*
- t. Who approves the amount of the payroll tax deposit by utilizing payroll records? *The Payroll Clerk.*
- u. Who approves the amount of the payroll tax deposit then electronically makes the payroll tax deposit or supervises the performance of this procedure? *The Trustee's Office.*
- v. Who verifies the amounts of the payroll tax deposit and signs the payroll or other payroll deduction checks? *The Payroll Clerk ensures accuracy, the Board Chairman and the Director of Schools sign.*
- w. Who mails or delivers the checks as applicable? *The Payroll Clerk.*
- x. Who scans/reviews the payroll ledgers/registers for obvious errors or miscalculations, notes the total payroll amount and the department totals? *The Payroll Clerk and Business Manager.*
- y. Who scans the ledgers for new employees or employees that have no payroll deductions? *The Payroll Clerk.*
- z. Who scans overtime, compensatory time, persons who are paid from more than one account code and similar unique items to determine the reasonableness of the amounts? *The Business Manager.*

#### 16. Journal Entries:

- a. Who is responsible for detecting errors in the monthly budget reviews? *The Business Manager.*

- b. What type of form is used for journal entries? *A Journal entry form or other documentation.*
- c. Does the form record debits and credits and explain the transaction in detail for each journal entry? *Yes.* Is documentation attached as necessary? *Yes.*
- d. Who approves all journal entries? *The Business Manager. The SNP Bookkeeper makes SNP Journal Entries.* Who is designated in the event of an absence? *No one.*
- e. Who is responsible for data entry? *The Business Manager.*
- f. Who is responsible for reviewing the pre-post general ledger reports for approval? *The Business Manager.*
- g. Who posts the approved entries? *The Business Manager.*

17. Grant Management:

- a. Who works with all System personnel to ensure the grant procedures are followed in accordance with Board policy? *The Director of Schools.*
- b. Who receives a pre-grant application form or application/approving resolution for federal, state, or other grants?
- c. Who approves and sends the grant application to the county commission for approval? *Not required.*
- d. Who is authorized to sign a grant on behalf of the System in each department? *The Director of Schools.*
- e. Is the most recent version of the U.S. Office of Management and Budget's uniform administrative requirements, cost principles and audit requirements for federal awards on file at the finance office? *Accessible electronically.*
- f. Who is responsible for knowledge of the contents in the OMB document, the grant contract and seeks any clarification from federal, state or other grant program management personnel? *The Business Manager, the Federal Programs Director.*
- g. Are all grant documents maintained in the finance office? *No.*
- h. What documents are kept in each file? *Application, Award letter, budget.*
- i. Are internal control procurement policies maintained in the office? *Yes.*
- j. Are revenues and expenditures for each federal or state grant maintained in separate revenue expenditure accounts or cost centered so that each grant can be easily recognized and accounted for in the county's accounting records? *Yes.*
- k. Who is responsible for maintaining the school grants? *The Director of Schools & The Business Manager, along with the School Principal.*
- l. Who provides backup for the two previous responsibilities? *No one.*

18. Capital assets

- a. Does the county have a fixed asset policy in accordance with GASB 34? *Yes.*
- b. What is the capital assets threshold? *\$10,000*
- c. How is equipment purchased with grant money marked or tagged? *With the grant tag.*
- d. Who prepares and maintains the inventory of all System assets? *Each department.*
- e. Who physically inspects the inventory? *Department heads / supervisors.* How often? *annually*

- f. Does each department mark its inventory and submit an inventory list to the annually? *Inventory lists are maintained at the departmental level.*
- g. Who maintains fixed assets? *The Business manager.*
- h. Who physically observes the equipment in each department annually? *The Departmental supervisor.*
- i. Who maintains and updates the inventory list in the finance office? *The Business Manager.*
- j. Does the System have any real property lease agreements? *No.*
- k. Who monitors the agreements and payments to the county? *N/A*

19. Payroll:

- a. Do all new employees physically come to the finance office to get set up on payroll? *Yes.*
- b. Do all employees who request a change in payroll direct deposit physically come into the office to sign the necessary forms? *No.*
- c. Are supervisors of terminated / retired employees required to promptly submit a form to finance to end payroll payments? *Yes, through the HR Office.*
- d. Who is responsible for catching the mistake if the supervisor fails to send the form? *The Human Resources Office.*
- e. Who performs a comprehensive payroll audit for all System offices in the spring during annual budget development to ensure all employees have supporting documentation? *The Business Manager and the Director of Schools.*

20. Surplus county property:

- a. Who in the office administers the sales of surplus equipment, real property or other personal property after it has been declared surplus? *The Transportation and the Maintenance Coordinators.*
- b. Who handles the transfer of surplus property to other governmental entities or county departments? *The Business Manager and the Director of Schools.*
- c. Does the department adhere to the Board's policy for disposal of surplus property? *Yes.*

21. Expenditures and revenues:

- a. Does the finance office perform monthly reconciliations for all funds with the county trustee? *Yes.*
- b. Who is responsible for ensuring that revenues and expenditures are coded correctly? *The Business Manager.*
- c. Who sends a copy of the month end reports to all department heads and officials for review? *The Business Manager.*
- d. Who posts all purchase orders and contracts to the software as encumbrances to assist with ongoing monitoring of the appropriation budget? *The Business Manager.*
- e. Who reviews the budget of each fund to ensure the original approved budget and any subsequent budget amendments are posted correctly to the accounting software? *The Business Manager and the Director of Schools.*
- f. Does the office have a year-end checklist for each report needed by audit? *Yes.*

- g. Who prepares and reviews depreciation and capital asset reports? *The Business Manager.*
- h. Who is responsible for identifying and correcting internal control weaknesses within the finance department? *The Business Manager and the Director of Schools.*
- i. How does the finance department stay up to date on state law pertaining to accounting, purchasing and budgeting? *Attend the annual Finance meeting hosted by the State, members of TASBO, other workshops and information as necessary.*

# FINANCE DEPARTMENT SEGREGATION OF DUTIES CHECKLIST - RECEIPTS

June 2016

Employee	Opens mail & stamps checks “for deposit only”	Issues receipts for mail-in checks	Issues receipts for over-the-counter transactions	Stamps checks “for deposit only”	Check out & make up daily deposit	Deposits all funds at the Bank of Dickson into the Trustee’s account.	Verifies receipt with check-out sheet
Business Manager	XX	XX	XX	XX	XX	XX	XX
Accounts Payable Clerk	X						
Payroll Clerk							
Asst. Payroll Clerk							
Receptionist			X				
HR Assistant			X				



# FINANCE DEPARTMENT SEGREGATION OF DUTIES CHECKLIST – ISSUING NON-PAYROLL CHECKS

June 2016

Employee	Enter Invoices	Print & Attach Invoice Checks	Verify Amount & Signs	Process & Mail Checks	Reconcile Accounts Payable Bank Statement
Business Manager	X	X	X	X	XX
Accounts Payable Clerk	XX	XX	XX	XX	
Payroll Clerk					
Asst. Payroll Clerk					

# FINANCE DEPARTMENT SEGREGATION OF DUTIES CHECKLIST – ISSUING PAYROLL CHECKS

June 2016

Employee	Obtain time Sheets	Approve/Determine the leave balances & time sheets have been approved	Process payroll post to general ledger	Process payroll, ACH, Direct Deposit	Determine that payroll deduction accounts clear out for each payroll	Determine amount of payroll tax deposit	Approve payroll tax deposit, sign account pay checks	Make the necessary deposits net pay & taxes	Review payroll ledger / register for reasonableness
Business Manager					XX				XX
Accounts Payable Clerk									
Payroll Clerk	XX	XX	XX	XX		XX	XX	XX	
Asst. Payroll Clerk	X	X	X	X		X	X	X	



FINANCE DEPARTMENT SEGREGATION OF DUTIES CHECKLIST –

ACCOUNTS RECEIVABLE RECONCILIATIONS

June 2016

Employee	Obtain Beginning Receivable Balance	Amounts Billed to Customers Current Month	Collections, Adjustments, Write-Offs	Ending Receivable Balance Equals Column 1- 2-3	The Balance from Column 4 should agree with the total of all Individual Accounts	The Balance from Columns 4 & 5 should agree with the General Ledger.	Locate and Explain any differences between Columns 4, 5 & 6	Prepare necessary correcting journal or other entries.
Business Manager	XX	n/a	n/a	XX	XX	XX	XX	XX
Accounts Payable Clerk								
Payroll Clerk								
Asst. Payroll Clerk								

# FINANCE DEPARTMENT SEGREGATION OF DUTIES CHECKLIST – PURCHASES

June 2016

Employee	Obtain Requisition from department heads for encumbrance	Issue Detailed purchase order for approval which records against budget	Approve the purchase order	Order goods/ services based on approved purchase order	Receive Ordered Goods/ Services	Sign Invoice or shipping documents indicating the goods/ services were received	Match shipping documents , purchase order, & prepare for check issuance	Print checks attach to invoices, etc.	Sign & approve check for payment	Process payment check stubs, etc., mail	Determine the disposition of any unused purchase orders
Business Manager	XX	XX	XX	X					XX		XX
Accounts Payable Clerk							XX	XX		XX	X
Payroll Clerk											
Asst. Payroll Clerk											
Dept. Heads				XX	XX	XX					
Director of Schools			X								

# FINANCE DEPARTMENT SEGREGATION OF DUTIES CHECKLIST – GRANTS

June 2016

Employee	Obtain approval to apply for the grant include grant in the budget	Read the grant contract. Also obtain and Read OMB's uniform grant guidance	Maintain central grant documentation files	Maintain separate general ledger revenue and expenditure accounts for each grant	Mark or tag grant equipment and make inventory listing by grant	Physically observe the equipment on the inventory listing
Business Manager				XX		
Federal Programs Director						
Dept. Heads	XX	XX			XX	XX
Director of Schools		X				

# FINANCE DEPARTMENT SEGREGATION OF DUTIES CHECKLIST – BUDGET

June 2016

Employee	Prepare the annual budget for Board of Education & County Commission approval	Review the budget monthly	Prepare budget amendments and post to accounting records	Major appropriation category budgets should not be exceeded
Business Manager	XX	XXX	XX	XX
Dept. Heads	X	X		
Director of Schools	XXX	XX		

# FINANCE DEPARTMENT SEGREGATION OF DUTIES CHECKLIST – JOURNAL ENTRIES

June 2016

Employee	Prepare and document the journal entry	Approval journal entries	Post journal entries to accounting records	Review accounting records for proper posting
Business Manager	XX	XX	XX	XX
Accounts Payable Clerk				
Payroll Clerk				
Asst. Payroll Clerk				



FINANCE DEPARTMENT SEGREGATION OF DUTIES CHECKLIST –  
PAYROLL & EMPLOYEE MAINTENANCE

June 2016

Employee	Obtain payroll change notice from department heads	Approve or determine that funds are budgeted for new hire or changes for employees	Process data entry for employee changes in payroll software	Check data entry for employee changes / additions in payroll software
Business Manager		XX		
Accounts Payable Clerk				
Payroll Clerk	XX		XX	XX
Asst. Payroll Clerk	X		X	X
Director of Schools		XX		

## APPENDIX

Internal control is defined as a process affected by an organization's structure, work and authority flows, people and management information systems, designed to help the organization accomplish specific goals or objectives. Internal controls should address specific risks associated with the day-to-day operations and transactions in the system offices that will be utilizing or accounting for public funds and assets. The objectives of internal controls should be to provide reasonable assurance that our office can document and demonstrate the following:

1. The obligations and costs of the operation are in compliance with applicable law
2. To ascertain if county funds, property and other assets that are designated/assigned to the office/department are safeguarded against waste, loss, unauthorized use, or misappropriation
3. Revenues and expenditures are properly recorded and accounted for to permit the preparation of accurate and reliable financial and statistical reports and to maintain accountability over the assets